

HOUSE BILL 1817

By Hawk

AN ACT to amend Tennessee Code Annotated, Title 8,
Chapter 27, relative to post-employment benefits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-27-205(e), is amended by deleting the subsection in its entirety and substituting the following:

(e) The retiree coverage authorized under this section shall not be available to any retiree whose employment with the state commenced on or after July 1, 2015. Any retiree whose first employment with the state commenced before July 1, 2015, and who returns to state service after that date shall not be prohibited from retiree coverage under this section; provided, that the retiree did not accept a lump sum payment from the Tennessee consolidated retirement system before July 1, 2015. Any retiree whose first employment with a participating local education agency, as defined in § 8-27-301, commenced before July 1, 2015, and who initiates state service after that date shall not be prohibited from retiree coverage under this section; provided, that the retiree did not accept a lump sum payment from the Tennessee consolidated retirement system before July 1, 2015.

SECTION 2. Tennessee Code Annotated, Section 8-27-305(e), is amended by deleting the subsection in its entirety and substituting the following:

(e) The retiree coverage authorized under this section shall not be available to any retiree whose employment with a participating agency commenced on or after July 1, 2015. Any retiree whose first employment with a participating agency commenced before July 1, 2015, and who returns to service with a participating agency after that date shall not be prohibited from retiree coverage under this section; provided, that the

retiree did not accept a lump sum payment from the Tennessee consolidated retirement system before July 1, 2015. Any retiree whose first employment with the state of Tennessee commenced before July 1, 2015, and who initiates service with a participating local education agency after that date shall not be prohibited from retiree coverage under this section; provided, that the retiree did not accept a lump sum payment from the Tennessee consolidated retirement system before July 1, 2015.

SECTION 3. Tennessee Code Annotated, Section 8-27-705(c), is amended by deleting the subsection in its entirety.

SECTION 4. Tennessee Code Annotated, Section 8-27-801(1), is amended by deleting the subdivision in its entirety and substituting the following:

(1) "Other post-employment benefits" or "post-employment benefits" means non-pension benefits paid on behalf of former state employees, former state employees' beneficiaries, authorized local education agency employees or the authorized local education agency employees' beneficiaries after separation from service. The benefits may include, but shall not be limited to, medical, prescription drugs, dental, vision, hearing, Medicare part B or part D premiums, life insurance, long-term care, and long-term disability;

SECTION 5. Tennessee Code Annotated, Section 8-27-801, is amended by adding the following as a new, appropriately designated subdivision and redesignating the existing subdivisions accordingly:

() "Authorized local education employees" means local education employees who have been authorized by the trustees to participate in the trust based upon the trustees' decision to establish a trust for local education employees and the employing local education agencies' contribution of the share of other post-employment benefits liabilities to the trust, as determined by the trustees;

SECTION 6. Tennessee Code Annotated, Section 8-27-802(a), is amended by deleting the subsection in its entirety and substituting the following:

(a) The trustees shall establish an investment trust or trusts for the purpose of pre-funding other post-employment benefits accrued by employees of the state, to be paid as they come due in accordance with the arrangements between the state, the plan members, and their beneficiaries. The trustees may, in their discretion, also choose to establish an investment trust or trusts for the purpose of pre-funding other post-employment benefits accrued by authorized employees of local education agencies, to be paid as they come due in accordance with the arrangements between the local education agency, the plan members, and their beneficiaries.

SECTION 7. Tennessee Code Annotated, Section 8-27-803(a), is amended by redesignating the existing subdivision (a)(2) as subdivision (a)(3) and adding the following as a new subdivision (a)(2):

(2) Make payments for other post-employment benefits pursuant to and in accordance with the terms of certain local education agencies' post-employment benefits plans, at the discretion of and subject to requirements established by the trustees; and

SECTION 8. Tennessee Code Annotated, Section 8-27-804(a), is amended by deleting the subsection in its entirety and substituting the following:

(a) The initial funding of any trust created under this part for state employees and their beneficiaries shall be from appropriations made in the general appropriations act for such purpose. Initial funding for a trust created for authorized local education agency employees and their beneficiaries may come from appropriations made in the general appropriations act for such purpose or other sources as authorized by the trustees.

SECTION 9. Tennessee Code Annotated, Section 8-27-805(4), is amended by adding the language "or certain local education agencies, if authorized by the trustees," after the language "the state".

SECTION 10. Tennessee Code Annotated, Section 8-27-806, is amended by adding the language "or the local education agency's" after the language "the state's".

SECTION 11. This act shall take effect upon becoming a law, the public welfare requiring it.